

# Utah Office of Tourism Board Meeting

Uintah County Courthouse  
Vernal, Utah

October 6, 2006  
10:00 a.m.

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## Present

### Board Members

Colin Fryer  
Steve Burr  
Frank Jones

Shelleice Stokes  
Hans Fuegi

### Staff

Leigh von der Esch  
Mike Deaver  
Dave Williams

Tracie Cayford  
Stacey Clark

### Guests

Thomas Cooke  
Steve Driggs  
Rick Maw  
Matt Durazzam  
Mark Fauth  
Alma Rios  
Nikki Farmer

### Organization

W Communications  
W Communications  
Utah.com  
Utah.com  
REO, Inc.  
Vernal Area CVB  
Dinosaurland Travel Board

## Welcome & Introductions

Board Vice Chairman, Colin Fryer called the meeting to order and excused board chairman Kim McClelland. He expressed appreciation to Vernal and Uintah County for hosting this meeting. He then asked all those present to introduce themselves.

## Minutes

Colin asked if there were corrections to the minutes. Steve Burr indicated that a conference he mentioned in the September meeting should be recorded as the National Extension Tourism Conference. Shelleice Stokes added that Beth Gurrister of Box Elder County needed to be included on the list of those in attendance at September's meeting. Leigh indicated these changes would be made and the board would vote to approve the minutes at the next meeting. Colin explained that without a quorum, there could be no motions or votes.

## Co-op Report

Colin turned the discussion over to Hans Fuegi, chair of the Co-op Marketing Committee. Hans indicated that the members of the committee had been corresponding via e-mail to discuss suggestions relating to the \$500,000 not awarded in the last round of co-op marketing funding.

He addressed each suggestion which ranged from a proposed "appeal process," opening a new funding round, doing nothing other than placing the funds in an interest bearing account to be used in the next funding cycle, and keeping the funds available for special *co-op projects* deemed to be exceptional opportunities.

Hans expressed the Co-op Marketing Committee's concerns with the proposed options. He offered the suggestion that holding the money for exceptional co-op opportunities might be the most appropriate solution. He stated that 97 projects equaling \$3.75 million have been awarded and the reports on these projects, some from the first round have not been turned in. He said there is a concern that we may be funding projects that are not fulfilling their commitments.

Hans pointed out that the co-op article in the September Utah Life Elevated newsletter the amount listed as being set aside for special opportunities is not accurate. Leigh indicated that this error would be clarified. Frank Jones expressed the opinion that the oral interviews included in the last funding round actually functioned in the same way an appeals process would.

Hans recommended on behalf of the Co-op Marketing Committee that the next funding cycle be scheduled for August or September 2007, that UOT staff follow-up on how the money which has already been awarded has been spent, and determine if the project representatives are providing the information they agreed to report regarding their results.

Dave Williams said the staff is still getting final reports from the first funding rounds, and that some reports are not including the information they promised to provide to the UOT in their applications. He added that the staff was willing to facilitate another round of co-op funding if asked, but that they would prefer to spend the time verifying information relating to past projects.

Leigh mentioned that the UOT is currently involved in a legislative audit. She said the legislature is currently satisfied with the co-op fund procedures, but that the board and UOT administration need to address who will provide an objective review of the program.

Steve Burr mentioned that accountability issues will be part of a white paper being prepared by UTIC for use during the 2007 legislative session.

Shellie offered the opinion that destination marketing organizations (DMOs) need to be allowed to explain to the committee how difficult result measurements are to compile. She also suggested that co-op funding workshops need to be held earlier in the cycle, and expressed some concerns about use of co-op funds for "special opportunities." There was some discussion of potential risk of having \$500,000 sitting in an account.

Colin stated that he was personally in favor of an appeals process, which would potentially be a one-time event for this fiscal year. He added that he was opposed to any action that leaves co-op funds idle or carried over because the money is needed in rural Utah.

Shelleice suggested that the remaining \$500,000 be combined with what wasn't spent in the first co-op funding rounds be used to do another funding cycle in February of 2007 with a cap placed on the amount of funds awarded per project, but that her suggestion was contingent on staff time.

Leigh asked for reaction to holding a February funding cycle with the applications coming to the full board and the funds coming out of the 80% portion of the Tourism Promotional Marketing Fund. She added this would make it incumbent upon the applicant to convince the entire board of their project's merit, and left the integrity of the 20% co-op funding program intact.

Other miscellaneous discussion of the co-op funding program continued among the board members particularly focused on projects being presented to the full board. Hans recommended that for the sake of time and the fact that the board did not have a quorum, further discussion should wait until the November board meeting.

### **Marketing Committee Report**

Shelleice introduced Mark Fauth from Greely, Colorado and asked Mike Deaver to provide some background on Mark's company, Reo, Inc. and his interactive kiosks.

Mike told the group he had seen Mark's international marketing kiosks at the Go West Summit in St. George, and asked Mark to come to this meeting to demonstrate the kiosks.

Mark told the group that the success of his company's kiosks is based on a multi-lingual keyboard that he patented. The keyboard allows users to access information on products, services, events or advertisements in 22 languages by selecting their language of choice by choosing a nation's flag on the home screen bringing up information in the appropriate language.

A multi-lingual "concierge" feature then allows users to acquire and print information in their own language and also in English. The kiosks also have multi-lingual maps and advertising can be managed from one central location. Visitors can also check and respond to their e-mail in their own language because of the multi-lingual keyboard. They can also send video e-mail.

Mark said that a kiosk placed in a visitor center provides domestic and international visitors video, information and advertising. He indicated research has shown visitors to locations where these kiosks are available, particularly international visitors, typically extend their stay in the area by 1.5 nights

Shelleice asked who sold the ads on the kiosks. Mark answered that his company can sell the ads, or they can train someone to be qualified to explain the technology and sell the ads.

Leigh noted that one impressive feature of these kiosks is that streaming video is available and the kiosks deliver it with no wait time or glitches. The technology was developed in Australia, but a Springville, UT company has purchased the rights to the technology in North America.

Shelleice questioned the proposal to the board, asking if UOT was suggesting the purchase of a six kiosks.

Leigh replied that UOT would propose dedicating a specific amount of money and then see how many kiosks could be purchased for that amount. Mike added that his intention in having Mark bring the kiosk to this meeting was to allow the board members to see how it works and get the group's opinions, saying the kiosks could be a key piece of UOT's tourism spectrum matrix.

Mark added that international visitors can be tracked because the kiosk makes it possible to "click-capture" users and tracks each time information is translated. Mike asked Mark what the turn-around time was on a kiosk. Mark said it is generally 10 to 12 weeks per kiosk, but could be as little as four to six weeks on a standard kiosk.

Hans asked Leigh and Mike what they were asking the board to consider with regard to the kiosks. Mike responded that they are asking the board to support UOT purchasing some kiosks and said that the staff would partner with areas around the state on content and ad sales.

Frank asked if Mark received a percentage of advertising revenue on kiosks purchased. Leigh said that UOT administration has some ideas about that sort of thing that they plan to discuss with Mark. A standard 3-year warranty on the kiosks was discussed, as well as placement in welcome centers, the Salt Lake International Airport and other visitor information outlets.

Shelleice suggested that the staff proceed with investigating cost, options, data base and information and ad sales for the kiosks. She added that from experience she knew there can be problems with printing from kiosks and that she had concerns about the advertising sales, so she encouraged those issues to be explored.

Mike gave an overview of the budget and ad buys for FY 05-06 including the print and television ad placements and the targeted markets including AAA, National Park Network, Delta, United, National Geo Traveler, Ski, and Sunset. A handout of FY 05-06 was provided at the last board meeting.

Leigh added that the advertising account still had a balance in excess of \$203,000 plus \$350,000.

Mike said for FY06-07 the total budget is 11 million. Marketing has a \$7 million budget which would be split into 60% summer, 30% winter and 10% in the special opportunities fund. He said out of the winter budget \$1.7 million is allocated to TV. Other expenditures would be for international promotions, assets, kiosks and the Sundance Film Festival. Mike explained that the truck wrap money came out of last year's budget and that the project would run for a year.

Colin asked if we had break-downs on market areas for 06-07. Leigh said that we needed to gather some additional information from the SMARI Advertising Effectiveness Report. Steve Driggs from Struck said the agency was working on a "baggage claim" television ad to be shot in mid-November and ready to be aired by February. He said print ads were ready to be published.

Shelleice said Mike was working with the travel regions to gather input on a consolidated look for a new trade show booth display. Mike said he would come back with some cost proposals and design options aiming for a multi-booth product that represents the entire state for November's board meeting.

The marketing committee will meet prior to the November board meeting for a half day or a full day to discuss utah.com and address the topic of web sites.

At this point, Colin excused those who needed to depart for the airport because of an in-coming storm. He then opened discussion to include interaction between the guests and the remaining board members and staff.

The next board meeting will be held in Salt Lake City on November 3 in the West Building of the

Capitol Complex, Room 110.